

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**SB 1508 – HB 1743**

March 10, 2009

**SUMMARY OF BILL:** Requires municipally or cooperatively owned utilities to provide access to poles and conduits that are located in public rights of way to any telegraph and telephone corporation or cable provider according to Section 602(5) of the Federal Cable Policy Act of 1984. Under the Federal Act, rates will be assessed based on the percentage of available space on each pole that is used by each entity. Requires the Tennessee Regulatory Authority (TRA) to mediate negotiations between parties as requested; the requesting party shall pay a fee of \$500 to the TRA. The TRA has authority and jurisdiction to enforce the provisions of this legislation after providing notice and holding a hearing. The TRA is authorized to levy fines.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue – Not Significant  
Increase State Expenditures – Not Significant**

**Decrease Local Revenue – Exceeds \$4,000,000**

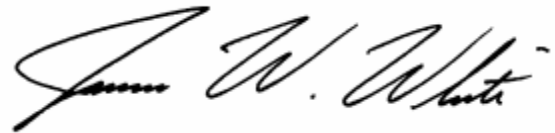
**Assumptions:**

- TRA is authorized to charge a \$500 fee for mediating negotiations. While the number of mediation cases cannot be reasonably determined, TRA estimates that the number of cases will not be significant. Any increase in state expenditures will be offset by an increase in state revenue from the fee and any fine levied and is estimated to be not significant.
- Municipal utilities currently receive approximately \$8,000,000 annually from pole attachment fees paid by cable TV providers.
- Municipal utilities currently receive approximately \$13,000,000 annually from pole attachment fees paid by telegraph or telephone corporations.

- Changing the method in which rates are assessed will decrease local revenue in excess of 20 percent, at least \$4,000,000. The current equal distribution assessment splits the pole cost among all companies using the pole; the new available space percentage distribution assessment will place more of the cost on municipal utilities as they use more of the pole's available space.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/kmc